



# **A New Tax System (Goods and Services Tax): Waiver of Tax Invoice Requirement (Acquisition of a Motor Vehicle Under a Novated Lease Arrangement) Determination 2023**

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I, Ben Kelly, Deputy Commissioner of Taxation, make the following determination.

Dated            7 March 2023

Ben Kelly  
Deputy Commissioner of Taxation

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## 1 Name

This instrument is the *A New Tax System (Goods and Services Tax): Waiver of Tax Invoice Requirement (Acquisition of a Motor Vehicle Under a Novated Lease Arrangement) Determination 2023*.

## 2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	On the day the instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

## 3 Authority

This instrument is made under subsection 29-10(3) of the Act.

## 4 Definitions

Note: A number of expressions used in this instrument are defined in the Act, including the following:

- (a) ABN;
- (b) creditable acquisition;
- (c) input tax credit.

In this determination:

**Act** means the *A New Tax System (Goods and Services Tax) Act 1999*.

**novation** means a tripartite arrangement (or deed of novation) where an employer, their employee, and a finance company agree to transfer to the employer all or some of the employee's rights and obligations under an existing lease agreement between the employee and the finance company. It results in the rescission of the original lease between the employee and the finance company, and the creation of a new lease between the employer and the finance company on the same terms.

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**full novation** means a transfer of all the rights and obligations in a lease agreement. As a result, the employer takes over all the rights and obligations held by their employee under the original lease.

**split full novation** means a variation on the full novation where an employee retains a residual payment obligation, and the remainder of their rights and obligations under the lease agreement are transferred to their employer.

## 5 Schedules

Each instrument that is specified in a Schedule to this determination is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this determination has effect according to its terms.

## 6 Waiver of the requirement to hold a tax invoice

For the purposes of attributing an input tax credit for a creditable acquisition to a tax period, an employer is not required to hold a tax invoice under subsection 29-10(3) of the Act if:

- (a) the employer makes a creditable acquisition by way of a lease of a motor vehicle under a full novation or a split full novation arrangement;
- (b) the acquisition is not covered by Division 111 of the Act; and
- (c) at the time the employer gives a GST return to the Commissioner for the tax period to which the input tax credit (or any part of the input tax credit) on the acquisition would otherwise be attributable, the employer holds a document that is:
  - (i) a tripartite agreement (or deed of novation) between the employer, their employee, and the finance company for the creditable acquisition by way of a lease of the motor vehicle that meets the requirements in subsection 7(1); and
  - (ii) a tax invoice issued to their employee for the acquisition by way of a lease of the motor vehicle by the employee prior to the novation that meets the requirements in subsection 7(2).

## 7 Document information requirements

- (1) The requirements referred to in subparagraph 6(c)(i) are that the document contains enough information to enable the following to be clearly ascertained:
  - (a) the employer's identity or ABN as the recipient of the supply of the motor vehicle under the lease;
  - (b) a description of the motor vehicle being leased; and
  - (c) that the employer has taken over all or part of their employee's rights and obligations under the original lease of the motor vehicle.
- (2) The requirements referred to in subparagraph 6(c)(ii) are that the document meets the requirements in paragraphs 29-70(1)(a) and 29-70(1)(c) of the Act, other than subparagraph 29-70(1)(c)(ii).

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## **Schedule 1—Repeals**

### ***A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement (Acquisition of a Motor Vehicle Under a Full or Split Full Novated Lease Arrangement) Legislative Instrument 2013***

#### **1 The whole of the instrument**

Repeal the instrument.